

IC MEMORANDUM 10-03

TO: KEHP Insurance Coordinators
FROM: Department of Employee Insurance (DEI)
RE: Extension of COBRA Premium Subsidy Program
DATE: January 20, 2010



Commonwealth of Kentucky
Personnel Cabinet
Department of Employee Insurance
2nd Floor, State Office Building
501 High Street
Frankfort, Kentucky 40601

Web Site: <http://kehpn.ky.gov>

On March 4th, 2009, DEI distributed "IC Memorandum 09-05" regarding a subsidy for COBRA coverage which is included in the American Recovery and Reinvestment Act (ARRA) of 2009.

Congress recently passed, and the President recently signed, the Fiscal Year 2010 Department of Defense Appropriations Act, which includes important new changes to the COBRA premium subsidy program created by ARRA. The recent changes are retroactive to the original February 17, 2009 ARRA enactment date. The basics are as follows:

- **Extension of Eligibility Period.** ARRA provided a COBRA premium subsidy for certain employees (and their families) who were involuntarily terminated between September 1, 2008 and December 31, 2009. The eligibility period has now been extended for an additional 2 months — through February 28, 2010.
- **Extension of Duration of Premium Subsidy.** Under ARRA, eligible individuals were entitled to a subsidy for up to 9 months of their COBRA maximum coverage period. The maximum period for receiving the COBRA premium subsidy has now been extended for an additional 6 months (for a total of 15 months).

Below are links to information which KEHP recently received from its COBRA administrator, Ceridian:

<http://www.ceridian.com/myceridian/client-support/compliance/assets/ARRA-er-faq.pdf>

<https://getwhatyouwant.ceridian.com/mk/get/COBRAVIEW%2018? EC=1ZdYvLqvT-y2l5Dnf99ksY>

Ceridian will continue to handle all notices, elections and collections of premiums. Additionally, Ceridian will continue to reach out to Insurance Coordinators to determine whether KEHP members have been involuntarily terminated. **Ceridian has requested that Insurance Coordinators respond to such requests within three business days.** If a response is not received from the agency, Ceridian will send a denial letter to the member. Please note the importance of responding to Ceridian's request in a timely manner.

As always, please feel free to contact Sherry Davis or Margaret Hensley in DEI's Member Services Branch at 888-581-8834 with any questions about the COBRA subsidy.

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